

**USAID/CENTRAL ASIA
REGION - KYRGYZSTAN**

Please Note:

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Glossary of Acronyms

ABA/CEEI - American Bar Association/ Central and East European Law Initiative
ADB - Asian Development Bank
AIHA - American International Health Alliance
ANESMI - Association for Independent Electronic Mass Media
ARD/CHECCI - Associates in Rural Development
CAAEF - Central Asian-American Enterprise Fund
CAR - Central Asian Region
CDC - Centers for Disease Prevention & Control
CEC - Central Election Commission
CNFA - Citizens Network for Foreign Affairs
DHS - Demographic and Health Survey
DOTS - Directly Observed Therapy, Short-Course
EBRD - European Bank for Reconstruction & Development
ENI - Bureau for Europe and the New Independent States
ESAF - IMF Extended Fund Facility
EU - European Union
FGP - Family Group Practices
SEATS - Family Planning Services and Expansion and Technical Support
FINCA - Foundation for International Community Assistance
FSN - Foreign Service National
FSVC - Financial Services Volunteer Corps
FY- Fiscal Year
GAR - General Abortion Rate
GDP - Gross Domestic Product
GOK - Government of Kyrgyzstan
GTZ - German Agency for Technical Cooperation
HOPE - Health Opportunity for People Everywhere
IBTCI - International Business & Technical Consultants Inc.
ICMA - International City/County Management Association
IEC - Information, Education, Communication
IESC - International Executive Service Corps
IFES - International Foundation for Electoral Systems
IMCC - International Management Communication Corporation
IMF - International Monetary Fund
ISAR - Initiative for Social Action and Renewal in Eurasia
IAS - International Accounting Standards
IR - Intermediate Result
KSE - Kyrgyzstan Stock Exchange
KDHS -Kyrgyzstan Demographic and Health Survey
KPMG - Klinveld Peat Marwik Georgeler
LLR - Low Level Result
MOH - Ministry of Health
MPP - Mission Performance Plan
NBK - National Bank of Kyrgyzstan
NDI - National Democratic Institute
NGO - Non-governmental organization
NIS - New Independent States
NSC - National Security Commission
NRIT - National Research Institute of Tuberculosis
OSCE - Organization for Security and Cooperation in Europe
ODIHR - OSCE/Office for Democratic Institutions and Human Rights
PCP - Primary Care Practice

R4 - Results, Review and Resource Request
SME - Small and Medium-sized Enterprises
S.O. - Strategic Objectives
SRO - Self-Regulatory Organizations
TB - Tuberculosis
UN - United Nations
UNDP - United Nations Development Programme
UNFPA - United Nations Population Fund
UNHCR - United Nations High Commissioner for Refugees
UNICEF - United Nations Children Fund
EU/TACIS - European Union / Technical Assistance for Commonwealth of Independent States
USAID - United States Agencies for International Development
USAID/CAR - USAID/Central Asian Region
USIS - United States Information Service
USSR - Union of Soviet Socialist Republics
WHO - World Health Organization
WTO - World Trade Organization

Kyrgyzstan

R4 Part I: Overview and Factors Affecting Program Performance

Introduction

Although small, poor and without the oil and gas resources of several of its neighbors, Kyrgyzstan is important to the United States. Its progressive leadership and apparent commitment to democracy make it an important example of reform working within the region. Its location at the headwaters of major river systems in Central Asia enable it to affect dramatically critical and sensitive issues such as agriculture, electricity generation, and the environment in the down-river countries of Kazakhstan, Uzbekistan, and Turkmenistan. Negative actions on the part of Kyrgyzstan could seriously affect regional stability and pose a threat to American economic and political interests in Central Asia.

The Development Challenge

The challenge for U.S. assistance is to help the country continue economic and democratic reforms that will have a direct positive impact on the citizens of Kyrgyzstan. In the economic area there have been some gains. The privatization program is almost complete, 97% of the businesses and more than half of all land in private hands. The focus of USAID's reform is on developing and sustaining small and medium enterprises. Medium and micro-credit enterprise loan programs have expanded to more than \$3 million throughout the country with a better-than 97% repayment rate. USAID advisors are helping develop the regulatory framework for the energy sector.

Kyrgyzstan, like its CAR neighbors, had almost no experience in developing its own monetary policy. Through the work of budget and tax advisors, Kyrgyzstan is beginning to develop long-term fiscal policies. The growth of the stock exchange highlights the impact of USAID's work. There has been a significant rebound on the Kyrgyz Stock Exchange (KSE) because a decree forced all stock trades to pass through KSE and there was an increase of companies being privatized on the KSE. Banks have become more transparent and able to manage and plan their finances more effectively due to the adoption of International Accounting Standards.

Energy and environment activities are covered in detail in the USAID/CAR Regional Presentation.

Despite USAID and NGO help in developing an improved election law, the recent parliamentary elections were a significant disappointment. Most opposition parties and many opposition candidates were not allowed to participate in the election and those that did faced considerable harassment from local authorities. On the more positive side, USAID worked closely with the Parliament to open a legislative drafting center. USAID contributed to NGO, political party and charity laws passed by the Government of Kyrgyzstan in 1999. Successful USAID-assisted housing and local government programs have promoted greater citizens' participation and operational efficiency. Many NGOs, with USAID assistance, prepared the citizens for the early 2000 parliamentary elections. The widespread public outcry provoked by fraud in some elections is testament to the fact that USAID's bottom-up strategy is working.

Government-supplied social services, critical to maintaining public support for reform, are inadequate. USAID's very successful pilot project in health care financing and delivery provides visible proof that government reforms can improve citizens' lives. The program permits people to choose their primary health care provider and makes high quality, essential health care more accessible and affordable. It is being expanded nationally with \$18.5 million in World Bank support. The health partnership program, reproductive health, and infectious disease control programs have all contributed to a healthier society.

Partnerships, training and exchanges remained an important component of USAID assistance. USAID trained over 320 reform-minded government leaders and professionals (45% were women), in areas directly related to democracy and a free-market economy. USAID supports a number of partnerships that seek to build long lasting relationships between the US and Kyrgyzstan. Building upon Kyrgyzstan's successful reform efforts, USAID used the country as a venue for a number of training courses for participants from other Central Asian Republics.

Other Donors

The International Monetary Fund (IMF) and World Bank have extended significant monetary credits to address balance of payments issues and to encourage economic reform. Kyrgyzstan currently has the IMF three-year Extended Structural Adjustment Facility focussing on fiscal reform. The Asian Development Bank, World Bank, and European Bank for Reconstruction and Development are expanding their loan portfolios.

FY 2001 Program

USAID has developed a new strategic assistance plan for 2001 – 2005. Highest priority will be given to assistance that promotes economic growth, democratization and the prevention of conflict in the South. USAID will continue to expand its programs throughout the Fergana Valley as part of a long-term strategy to increase economic development and stability in the South.

USAID will initiate a land reform program to build on the recent passage of the land and registration laws. Efforts will include developing land registration systems, educating citizens about their legal rights, and amendments to the land laws. USAID will continue efforts to improve tax administration, the legal and commercial infrastructure, intergovernmental finance, bankruptcy laws, accounting practices, and the professional capabilities of judges and attorneys. Further progress will be made toward the creation of an independent regulatory agency for electricity and energy.

Ensuring that economic reform is accompanied by social and political reform is a continuing priority. Programs will continue to strengthen civil society, promote independent media, solidify the rule of law, and deepen respect for human rights. USAID will work toward the development of accountable local government by seeking to strengthen a legal authority, improve financial and administrative operations, deliver services efficiently, and strengthen the role of elected local councils. Increased attention will be paid to improving women's legal rights and their participation in the political process.

R4 Part II Results Review by SO

Text for SO a

Country/Organization: Kyrgyzstan, USAID/CAR

Objective ID: 116-012-01

Objective Name: Increased soundness of fiscal policies and fiscal management practices

Self Assessment: Exceeding Expectations

Self Assessment Narrative: We met or exceeded all of our targets. The government's deficit as a percentage of GDP was lower, and the government continued to finance its fiscal deficit in a non-inflationary manner. A desperately poor country, Kyrgyzstan's public sector cannot possibly meet the many needs of its citizens, however, progress is being made.

Primary Link to Strategic Agency Framework: 1.1 Private Markets

Secondary Link to Strategic Agency Framework: 2.4 Accountable Gov't Institutions

Link to U.S. National Interests: Economic Prosperity

Primary Link to MPP Goals: Economic Development

Secondary Link to MPP Goals (optional): Global Growth and Stability

Summary of the SO:

The inadequacy of many social and public services in Kyrgyzstan can be attributed, in part, to the problems with fiscal policies and fiscal management. Inadequate tax and budget policies hinder the government's management of its limited resources, decreasing the quality of government services. In addition, sound tax and budget policies are critical to combat the ongoing fiscal crisis in the country.

As a result of the economic crisis in Russia and the devaluation of the tenge in neighboring Kazakhstan, domestic and foreign investors in Kyrgyzstan are less confident. During 1999, the som fell in value by half. As a result of this currency depreciation, inflation rose to 40%. Moreover, the government faced growing concerns regarding its ability to service its large external debt. In order to survive the current crisis, the government needs to increase tax compliance, formulate budgets that are consistent with revenue projections, improve its forecasting ability, and reduce its external debt.

USAID is addressing the immediate and long-term needs by targeting three critical areas: 1) tax administration; 2) tax policy; and 3) budget reform. The direct beneficiaries of such improvements are the national and local government agencies that need tax revenues and sound budget policies, and those parties that are owed money by the government (i.e. arrears). Indirectly, all Kyrgyz citizens stand to benefit through the impact of fiscal policies on economic growth.

Three key results are necessary to achieve this objective: 1) taxes are more fairly and broadly applied and enforced; 2) government borrowing is less inflationary; and 3) the expenditure allocation process is rationalized.

Key Results:

Overall, USAID's performance in 1999 exceeded expectations. The key indicator for this strategic objective, the general deficit as a percentage of GDP, was estimated to be 2.7% in 1999, surpassing the target of 3.0%. At the same time, the tax compliance indicator (tax revenues as a share of GDP) also was on target at 14%. Kyrgyzstan passed a budget law in 1997, and improved it in 1998. Finally, the government continued to finance its fiscal deficit in a non-inflationary manner.

Performance and Prospects:

Kyrgyzstan's fiscal stabilization program has been tested by a combination of factors over the past year. The country conducts a large amount of trade with Russia and Kazakhstan and, consequently, suffered from the downturns in those countries. In addition, the low price of gold has limited revenues from the country's primary earner of foreign exchange. Although USAID has achieved notable progress, Kyrgyzstan still must make significant improvements in fiscal management. The government still has significant arrears that it must eliminate (arrears were 1.7% of GDP in 1998, arrears for 1999 have not been estimated yet). Debt service constitutes a significant portion of its budget. The government has budgeted \$86.9 million for debt service in 2000, which is equal to 40% of projected tax revenues. New revenue-enhancing measures are urgently needed. One such measure is a planned increase in the sales tax from 2% to 4%.

USAID helped reorganize the State Tax Inspectorate along functional lines (i.e., according to the basic functions of tax collections, audit, appeals, etc.). The new structure will improve revenue collection, reduce opportunities for corruption, and institute an appeals process.

In an effort to rationalize expenditures, USAID successfully increased the number of government agencies adopting program budgeting from seven in 1998 to eleven in 1999. Program budgeting links spending to programs, and therefore provides the government with the ability to evaluate the performance of programs, and to link performance to future funding. USAID is building on this success during 2000 by evaluating and retraining key staff members in program budgeting. A more detailed budget classification system still needs to be put in place. Finally, USAID is supporting the development of an independent Fiscal Analysis Unit within the parliament. Such a unit will enable lawmakers to gauge the impact of legislation on the economy.

Possible Adjustments to Plans:

The government has requested assistance in public-sector accounting, which USAID plans to initiate in FY 2000 or FY 2001. While conditions in Kyrgyzstan are favorable for the development of such a project, recent changes at the Ministry of Finance have created uncertainty regarding the advisability of such an effort. Government accounting reform would complement work already being done under this strategic objective, as well as enhance the management of government finance. Because of the success of the computerization project and the work that the State Tax Inspectorate has done, we expect to cease computerization efforts by

2001. We will direct more effort to the health and education sectors in coordination with Office of Social Transition.

Other Donor Programs:

The IMF currently has an advisor working on tax policy issues. The focus of the advisor is on the value-added tax area. She has worked closely with our project to improve VAT policy and ensure its consistency with international standards. The IMF and USAID also coordinated to advise the government on amendment packages to the tax code. Our coordination has been instrumental in preventing legislation that would reduce tax revenues. German GTZ, phased out its assistance in December 1999.

Major Contractors and Grantees:

USAID activities are implemented through KPMG/Barents, a U.S. contractor, as well as through the U.S. Department of the Treasury. The Academy for Educational Development (AED) coordinates participant training.

Performance Data Table

Objective Name: Increased soundness of fiscal policies and fiscal management practices	
Objective ID: 116-012-01	
Approved: 1996-12-07	Country/Organization: Kyrgyzstan, USAID/CAR
Result Name: SO 1.2 Increased soundness of fiscal policies and fiscal management practices	
Indicator: General government deficit as a percent of GDP	
Unit of Measure: Percent	
Source: USAID Fiscal Reform Project, Kyrgyzstan	
Indicator/Description: Expenditures less revenues as a percent of GDP	
Comments: We are on target for 1999, using the IMF ESAF program target.	
*This is the last R4 that we will use this indicator.	

Year	Planned	Actual
1995(B)		12.5%
1996	7.0%	6.1%
1997	5.0%	4.1%
1998	4.0%	3.0%
1999	3.0%	2.7%
2000	2.5%	
2001	2.0%	

Performance Data Table

Objective Name: Increased soundness of fiscal policies and fiscal management practices	
Objective ID: 116-012-01	
Approved: 1996-07-01	Country/Organization: Kyrgyzstan, USAID/CAR
Result Name: IR 1.2.3 Taxes are more fairly and broadly applied and enforced	
Indicator: Tax compliance rate	
Unit of Measure: Percent	
Source: USAID Fiscal Reform Project, Kyrgyzstan	
Indicator/Description: Tax revenues as a percent of GDP	
<p>Comments: All data has been upgraded. The 1998 and 1999 planned levels represent the IMF ESAF target for these years. The 1996 -98 actual data is from the Fiscal Reform projects and uses improved data to more accurately reflect the economic conditions. The 1999 estimate is based on the first 3 quarters in the year.</p>	

Year	Planned	Actual
1995(B)		13.6%
1996	15.0%	12.6%
1997	16.0%	12.5%
1998	13.5%	14.3%
1999	14.0%	est. 13.9%
2000	14.5%	
2001	15.0%	

Performance Data Table

Objective Name: Increased soundness of fiscal policies and fiscal management practices	
Objective ID: 116-012-01	
Approved: 1996-12-07	Country/Organization: Kyrgyzstan, USAID/CAR
Result Name: IR 1.2.4.1 Expenditure Allocation Process Rationalized	
Indicator: Budget Law Passed	
Unit of Measure: Yes-No-Partial	
Source: USAID Fiscal Reform Project, Kyrgyzstan	
Indicator/Description: Budget Law passed	
Comments: Kyrgyzstan is still working to improve the budget classification system.	
*This is the last R4 that we will use this indicator.	

Year	Planned	Actual
1995		-
1996	Y	N
1997	Y	Y
1998	Y	Y
1999	Y	Y
2000	Y	
2001(T)	Y	

Performance Data Table

Objective Name: Increased soundness of fiscal policies and fiscal management practices	
Objective ID: 116-012-01	
Approved: 1999-12-07	Country/Organization: Kyrgyzstan, USAID/CAR
Result Name: IR 1.2.4.2 Government borrowing less inflationary	
Indicator: National Bank of Kyrgyzstan (NBKR) share in deficit financing	
Unit of Measure: Percent	
Source: USAID Fiscal Reform Project, Kyrgyzstan	
Indicator/Description: Share of NBKR credit to the Government as a percentage of total deficit financing	
Comments: There was no inflationary borrowing from the National Bank for 1999. Actual performance for this IR was far better than the target.	
*This is the last R4 that we will use this indicator.	

Year	Planned	Actual
1995		46.5%
1996	45.0%	41.7%
1997	30.0%	39.5%
1998	20.0%	0
1999	10.0%	0
2000	9.0%	
2001 (T)	8.0%	

Text for SO b

Country/Organization: Kyrgyzstan, USAID/CAR

Objective ID: 116-013-01

Objective Name: Accelerated development and growth of private enterprises

Self Assessment: On Track

Self Assessment Narrative: All indicators exceeded targets, although the extreme fragility of the Kyrgyz Republic's small economy, combined with trade barriers and civil unrest in neighboring countries, and rent-seeking and over-regulation at home, highlight the need for new indicators in this strategic objective.

Primary Link to Strategic Agency Framework: 1.1 Private Markets

Secondary Link to Strategic Agency Framework:

- | | |
|--|--|
| <input type="checkbox"/> 1.1 Private Markets | <input checked="" type="checkbox"/> 1.2 Agricultural Development/Food Security |
| <input checked="" type="checkbox"/> 1.3 Economic Opportunity for Poor | <input checked="" type="checkbox"/> 2.1 Rule of Law/Human Rights |
| <input type="checkbox"/> 2.2 Credible Political Processes | <input type="checkbox"/> 2.3 Politically Active Civil Society |
| <input checked="" type="checkbox"/> 2.4 Accountable Gov't Institutions | <input type="checkbox"/> 3.1 Access to Education/Girl's Education |

Link to U.S. National Interests: Economic Prosperity

Primary Link to MPP Goals: Economic Development

Secondary Link to MPP Goals (optional): Global Growth and Stability

Summary of the SO:

The growth of the private sector is a key factor in employment generation and economic growth. During 1999, economic growth reached 3% despite the low prices received for the country's commodity exports, especially gold and cotton, as well as difficulties in exporting goods. The value of the som plummeted by 50% in 1998 after two years of relative stability and then again in early 1999 in response to the devaluation of the tenge in Kazakhstan. Finally, the country continued to experience severe difficulties servicing both its internal and external debts in 1999.

Despite the above problems, USAID's initiatives have produced a number of positive developments. For example, today more than half of all land is in private hands under 99-year leases. Under a constitutional amendment adopted in October 1998 with USAID assistance, these leaseholders will automatically become landowners. Given the importance of agriculture (which accounts for almost half of the country's GDP, with more than 80% of agricultural output produced on private farms) this change is significant.

The direct beneficiaries of these activities will be the participants in the nation's expanding private sector, as well as government entities that affect the private sector through laws and regulations. The indirect beneficiaries will be all Kyrgyz citizens, as well as Kyrgyzstan's major trading partners.

Three key results are necessary to achieve this objective: 1) an improved operating environment for private sector growth; 2) improved human resources for a market economy; and 3) increased availability and accessibility of capital and technological resources for the private sector.

Key Results:

With the Kyrgyz Republic's limited resources base (per capita GDP of \$350) and an agricultural sector that accounts for almost 50% of GDP, establishment of private land ownership, including agricultural land, in 1999 was a major milestone. In this regard, the Kyrgyz Republic compares favorably with such land reform leaders as Moldova.

The operating environment for private sector growth was improved during FY 1999 with the passage of key regulations and laws. The number of laws and regulations adopted was on target in 1999 and included enactment of laws for private land ownership that are critical to the Kyrgyz Republic's transition. Further, amendments to the Export/Import Regulations, implementing Regulations on Antidumping and Countervailing Duties, and implementing Regulations on Safeguards, and operational regulations for the Customs Code have been implemented with USAID assistance. Additionally, with USAID assistance 36 Notifications have been submitted to the WTO to operationalize Kyrgyzstan's WTO obligations. Both the target and the actual numbers were smaller than in prior years, reflecting the fact that most commercial, trade and investment laws have already been enacted.

In FY 1999, the number of people trained to function in a market economy far exceeded the established target of 300 people. This year's effort resulted in over 2,450 people that have been trained through seminars, roundtables, or one-on-one encounters. Several activities have contributed to this result, including the Trade and Investment activity, Judicial Reform and those in the SME area (IESC, FINCA, and the Farmer-to-Farmer program of Winrock and ACDI/VOCA). USAID has also exceeded its accounting training and enterprise conversion targets in FY 1999. Eurasia Foundation, in partnership with the World Bank Institute and the Islamic Development Bank, trained 30 economics professors from leading educational institutions in CAR in economic growth strategies, trade and investment policy and macroeconomic management. The teachers trained over 700 local and mid-level government officials in FY 99.

Despite the difficult economic conditions in 1999, the target for the volume of loan and joint venture funds invested in Kyrgyzstan was exceeded.

Performance and Prospects:

USAID advisors assisted Kyrgyzstan in becoming the first Central Asian country to acquire full WTO membership in late 1998. Post-WTO accession assistance continues, as efforts are focused on streamlining the structure of the WTO oversight body, thereby ensuring that the government meets all reporting and notification requirements. Commercial laws passed with USAID

assistance include the Procurement Law, Bankruptcy Law, Land Code, Mortgage Law, Cooperatives Law and amendments to the Civil Code. Over the past year, USAID customs assistance has emphasized drafting implementing regulations and internal policies, in addition to the provision of training at the operational level. All of this assistance strengthened the investment climate.

In the area of legal and institutional reform, advisors have been working in key fields including trade and investment, collateral law and the Civil Code. An important product has been the publication of a Practical Guide to Part I of the Civil Code. This three-volume work, the first of its kind in the former Soviet Union, explains the operation of the Civil Code in non-academic terms through real-life examples. General business law has also been a focus by targeting constraints to business, including inadequate implementation of laws in such areas as contracts and property rights. Many of these efforts are needed to maintain the momentum created by the privatization process and to expand opportunities for U.S. trade and investment in Kyrgyzstan. Unfortunately, important strides in judicial training and reform have been constrained by coercion of judges by the executive branch and continuing judicial corruption, encouraged by entirely inadequate salaries.

USAID advisors are playing a key role in developing the legal basis to implement land reform. They helped the government draft a package of implementing legislation, including the Land Code and Mortgage Law. Thus, USAID has been instrumental in assisting the government in making, in less than a year, more progress on modern land legislation than has been made anywhere else in the CIS.

At the micro level, the FINCA micro-credit program has been very successful. Since program inception, nearly \$12 million in loans have been disbursed to 78,000 clients. In addition, as part of the "Southern Strategy," Prospects for making this program sustainable by turning it into a commercial enterprise are promising. USAID continues to assist small and medium enterprises (SMEs) in the Fergana Valley in sectors such as food processing, construction, banking, credit unions, and textiles. Steady growth in the number of registered and operating SMEs is a key indicator of a vibrant SME sector. That growth stagnated in 1997 and 1998 (the latest years for which data are available). Rejuvenation of the growth of this sector will be a focus of this S.O. in our forthcoming new strategy. CAAEF continues to make capital available to the Kyrgyz private sector with a business loan program.

In the area of accounting reform, Kyrgyzstan has adopted National Accounting Standards based on International Accounting Standards (IAS). Kyrgyzstan is the first country in the former Soviet Union to adopt the International Standards of Audit (ISA). USAID has converted more than 1,000 companies to the national standards and has trained more than 3,000 professionals in IAS. USAID has also supported the establishment of the Union of Accountants and Auditors, and the Associations of Accounting and Audit Teachers. The accounting reform project has also been instrumental in introducing an international accounting curriculum into Kyrgyzstan's universities.

Possible Adjustments to Plans:

The successful FINCA micro-credit program will graduate and become a commercial enterprise in 2000. The IFC has expressed interest in investing in such a venture. USAID also anticipates new activities in economic and business education in 2000 and 2001, particularly for SMEs, which will be the focus of this S.O. under our new strategy. The new strategy will also eliminate indicators that are now obsolete and will introduce new indicators.

Other Donor Programs:

USAID plays a major role in promoting the growth of business environment in the Kyrgyz Republic. USAID is the only donor organization that provides training in international accounting and audit standards as well as the only one that works on accounting curriculum reform. In addition, USAID is the leader in liberalization of the trade and investment environment as well as in the areas of land reform, judicial training, and the development of a system of commercial legislation supporting private business.

USAID's new Regulatory Reform project incorporates loan conditionalities from the World Bank's proposed Consolidated Structural Adjustment Credit. USAID's Commercial Law project recruited and trained, through an intensive three-week course in all aspects of the new land legislation of the Kyrgyz Republic, the lawyers who are staffing two Legal Aid Centers in Jolal-Abd Oblast operated by the Swiss Agency for Development and Cooperation.

In addition, USAID complements other donors (the World Bank, UNDP, EBRD, EU-Tacis, and ADB) with its ongoing efforts to strengthen SMEs. In this area, USAID provides equity/debt lending through CAAEF and micro-lending through MCI and Finca in addition to the removal of legal, regulatory, and administrative constraints that have impeded the growth of SMEs. USAID is actively cooperating with projects of the Dutch, German and Swiss technical assistance agencies.

Major Contractors and Grantees:

USAID activities are implemented through private U.S. firms such as Booz Allen & Hamilton (trade and investment), ARD/Checchi (legal infrastructure for a market economy and regulatory reform), Chemonics International Inc. (land reform), and Carana Corporation (accounting reform), along with PVOs such as IESC, FINCA, ACIDI/VOCA and CAAEF, which provide financial and direct assistance, bringing in business executive volunteers. The Academy for Educational Development (AED) supports participant training. Through a grant to Eurasia Foundation, USAID supports an even broader range of business education and development.

Performance Data Table

Objective Name: Accelerated development and growth of private enterprises.	
Objective ID: 116-013-01	
Approved: 1996-07-12	Country/Organization: Kyrgyzstan, USAID/CAR
Result Name: SO 1.3 Accelerated development and growth of private enterprises	
Indicator: Increase in private sector GDP market share	
Unit of Measure: Percent	
Source: European Bank for Reconstruction and Development	
Indicator/Description: Share of GDP generated by private enterprises	
Comments: The EBRD releases its data in November of each year for the prior year, so the data available lag by a year.	
* This is the last R4 that we will use this indicator.	

Year	Planned	Actual
1995	0	40%
1996	0	50%
1997	0	60%
1998	65%	70%
1999	68%	n/a
2000	70%	
2001	72%	

Performance Data Table

Objective Name: Accelerated development and growth of private enterprises.	
Objective ID: 116-013-01	
Approved: 1996-07-12	Country/Organization: Kyrgyzstan, USAID/CAR
Result Name: 1.3.1.1 Improved policies, laws, and regulations in place to ensure competition and allow for easy market entry and exit	
Indicator: Critical policies, laws, and regulations that are consistent with international standards are published	
Unit of Measure: Number of policies, laws, and regulations	
Source: Trade and Investment Project/Booz-Allen & Hamilton Commercial Law Reform Project/ARD/Checchi	
Indicator/Description: Number of policies, laws, and regulations published with drafting and implementation assistance provided by USAID	
Comments: Through both the USAID Commercial Law and Trade and Investment activities, USAID exceeded its target of legislative acts on which it assisted. Primary among these are the important pieces of major legislation to provide the legal basis for private land ownership: the Land Code, Mortgage Law, Peasant Farm Law, Cooperative Law, and related amendments to the Civil Code.	
* This is the last R4 that we will use this indicator.	

Year	Planned	Actual
1996	49	50
1997	35	75
1998	25	41
1999	15	17
2000		
2001		

Performance Data Table

Objective Name: Accelerated development and growth of private enterprises	
Objective ID: 116-013-01	
Approved: 1999-07-12	Country/Organization: Kyrgyzstan, USAID/CAR
Result Name: 1.3.1.1.2 Modern financial reporting standards are used	
Indicator: Increasing # of publicly traded companies using new accounting disclosure standards	
Unit of Measure: Number	
Source: USAID Accounting Reform Project reports	
Indicator/Description: Number of firms transferred to new accounting standards	
<p>Comments: This indicator was added in February 1998 as an improved measure of reform in private enterprise development.</p> <p>Targets were substantially exceeded through:</p> <ul style="list-style-type: none"> a) Establishing a system in which the benefits of modern standards were promoted through seminars; b) Developing and implementing a standardized enterprise conversion methodology. <p>* This is the last R4 that we will use this indicator.</p>	

Year	Planned	Actual
1997	80	60
1998	280	800
1999	400	1006
2000	600	
2001	1000	

Performance Data Table

Objective Name: Accelerated development and growth of private enterprises.	
Objective ID: 116-013-01	
Approved: 1996-07-12	Country/Organization: Kyrgyzstan, USAID/CAR
Result Name: 1.3.3 Increased availability of and access to capital and technological resources for the private sector	
Indicator: Loan and joint venture funds invested	
Unit of Measure: Millions of dollars	
Source: CAAEF semi-annual reports	
Indicator/Description: Dollar volume of joint venture funds invested	
Comments: Despite the economic downturn, SME lending in Kyrgyzstan grew.	
* This is the last R4 that we will use this indicator.	

Year	Planned	Actual
1995	0	0
1996	4	6.8
1997	7	4.7
1998	9	7.8
1999	11	11.5
2000	13	
2001	15	

Text for SO c

Country/Organization: [Kyrgyzstan, USAID/CAR](#)

Objective ID: 116-014-01

Objective Name: A more competitive and market responsive private financial sector

Self Assessment: Not Meeting Expectations

Self Assessment Narrative: Progress was achieved in developing an effective ~~_____~~[securities](#) market but banking targets were not met due to the crisis in the banking system that resulted from large-scale fraud.

Primary Link to Strategic Agency Framework: 1.1 Private Markets

Secondary Link to Strategic Agency Framework: 1.3 Economic Opportunity for Poor

Link to U.S. National Interests: Economic Prosperity

Primary Link to MPP Goals: Economic Development

Secondary Link to MPP Goals (optional): Global Growth and Stability

Summary of the SO:

For Kyrgyzstan to achieve economic growth, investors and the general citizens need to be able to trust the banks and to have access to secure and stable financial institutions. USAID seeks to create a more competitive and market-responsive private financial sector by reforming the banking sector and by developing a vibrant securities market.

This program initially concentrated on strengthening the bank regulatory authority's ability to supervise commercial banks, but was halted in 1997 due to a similar Finnish Government effort and the fact that the central bank had started to develop a modernized bank supervisory capability. USAID concentrated its focus on assisting commercial banks in converting to international accounting standards. Without USAID assistance for bank supervision reform, the Central Bank made little progress toward achieving a self-sustaining bank regulatory unit. USAID has recently responded to a GOK request to restart this assistance.

USAID has been involved in capital market development in Kyrgyzstan since mid-1994. This support has been comprehensive and includes creating an independent National Securities Commission (NSC), establishing the Kyrgyzstan Stock Exchange (KSE), restructuring investment funds and providing training to broker-dealers. Direct beneficiaries of this work are the professionals involved in financial market development: private bankers, stock brokers and

registered private enterprises. Indirect beneficiaries include contributors to pension funds and all citizens. They benefit from more secure banks in which to deposit their savings and from the higher standards of living that will eventually result due to increased investment emanating from those savings and pension contributions.

Three results are necessary to achieve this objective: 1) a more competitive and responsive private financial sector; 2) the regulatory framework and reporting systems are broadly applied and screen out defective institutions; and 3) the stock market effectively serves the securities market.

Key Results:

We failed to meet two of three targets in the financial sector. There was a drop in private sector deposits as percent of GDP from 6.1% to 5.6% from 1998 to 1999 respectively. The percentage of banks meeting capital adequacy requirements fell below its target of 95% target. We achieved only 86% - representing a fall from the previous year of 95%. The primary reason for this performance on both targets is the crisis that developed in the banking sector. Four of the largest banks were closed, contributing to a loss in consumer confidence. In addition when these banks failed, some deposits were lost to the system. Further, the disappearance of banks meeting capital requirements lowered the overall percentage of banks meeting such requirements. On the other hand, the number of companies listed on the Kyrgyzstan Stock Exchange exceeded targets which indicates that the capital market in Kyrgyzstan has rebounded from the collapse of 1998.

Performance and Prospects:

Kyrgyzstan's banking system is fragile and under-capitalized, with 18 banks combined having a total share capital of less than \$14 million. Five banks, including the largest, were placed under conservatorship or liquidation in the first half of 1999, and two more banks have since been placed under conservatorship.

Several banks had financial links to the state gas company, Kyrgyzgazmunaizat, which was affected by a large-scale fraud in December 1998. Given the potential negative impact of the fraud on the banking sector, bank supervision is critical for Kyrgyzstan.

USAID has recently started to address these problems in the banking sector through assistance as part of an effort to tighten financial regulatory guidelines and enhance monitoring capacity in the banking sector. In response to a request from the Chairman of the central bank, in November 1999 USAID placed an on-site supervision specialist with the National Bank.

With USAID's technical assistance, all of Kyrgyzstan's 18 commercial banks are now operating using international accounting standards. The virtually complete adoption of such standards by the banks is a critical component of transparency and represents a significant step forward in reform.

In 1999, significant progress was achieved in improving the prospects for sustainability of the stock market. Off-exchange trading was prohibited, leading to increased trading volume. The basic framework for an effective securities market has been developed, although the Kyrgyz Stock Exchange requires increased corporate listings and the development of a cost-efficient

over-the-counter (OTC) trading system. Although the Kyrgyzstan Stock Exchange enjoyed record volume in 1999, the volume of trade generated in this nascent free market economy is not yet sufficient to cover the operating costs of the stock exchange and central depository. USAID intends to continue supporting these Kyrgyz free-market institutions through small grants until they are financially self-sustaining.

Possible Adjustments to Plans:

It is expected that the bank accounting reform activities will be graduated in 2000. USAID's primary focus in the banking sector now will be provision of technical assistance in bank supervision. This will be supplemented with USAID Farmer-to-Farmer volunteers who will provide limited training to commercial banks in areas such as international accounting standards and information systems. The Securities Market Development activity will also graduate in 2000. USAID intends to continue supporting the Kyrgyzstan Stock Exchange and the Central Depository through small grants to those institutions.

Other Donor Programs:

USAID assistance in bank supervision is coordinated closely with the IMF. The IMF is currently supporting an off-site advisor, thereby complementing USAID's assistance. The World Bank sponsored a number of conferences in the financial markets area, and USAID has provided technical expertise. The Asian Development Bank is planning to provide limited technical support to the financial sector through assistance to the National Securities Commission, the State Insurance Supervision authority and the NBRK. The purpose is to strengthen regulatory capacities and to raise the public awareness of reforms through an information campaign.

Major Contractors and Grantees:

USAID financial assistance activities are implemented through two private U.S. firms, Pragma and IBTCI. The Academy for Educational Development (AED) coordinates participant training.

Performance Data Table

Objective Name: A more competitive and market responsive private financial sector	
Objective ID: 116-014-01	
Approved: 1996-07-12	Country/Organization: Kyrgyzstan, USAID/CAR
Result Name: SO 1.4 A more competitive and market responsive private financial sector	
Indicator: Bank deposits as % of GDP	
Unit of Measure: Percent	
Source: National Bank of Kyrgyzstan	
Indicator/Description: Private sector deposits in Kyrgyzstan's banking system as percent of GDP	
Comments: Decrease for 1999 is attributed to bank failures. Mercury bank was the largest bank in Kyrgyzstan at the time of its failure.	
* This is the last R4 that we will use this indicator.	

Year	Planned	Actual
1995 (B)		4.0%
1996	5.0%	4.2%
1997	6.0%	5.9%
1998	7.0%	6.1%
1999	9.0%	5.6%
2000	15.0%	
2001	20.0%	

Performance Data Table

Objective Name: A more competitive and market responsive private financial sector	
Objective ID: 116-014-01	
Approved: 1999-07-12	Country/Organization: Kyrgyzstan, USAID/CAR
Result Name: 1.4.1.2 Regulatory framework and reporting systems are broadly applied effectively screen out deficient institutions	
Indicator: increasing percent of banks meeting capital adequacy requirements	
Unit of Measure: Percent	
Source: National Bank of Kyrgyzstan	
Indicator/Description: Percentage of all banks that meet capital adequacy requirements	
<p>Comments: Drop due to four bank failures. One of banks with Kyrgyzgaz links had negative capital. At year end there was a number of banks under supervision that did not meet capital requirements. Capital requirements will rise to 50 million som as of July 2000. Mergers and closings are expected.</p> <p>* This is the last R4 that we will use this indicator.</p>	

Year	Planned	Actual
1995 (B)		42
1996	55%	60%
1997	65%	85%
1998	88%	95%
1999	95%	86%
2000	97%	
2001	98%	

Performance Data Table

Objective Name: A More Competitive and Market Responsive Private Financial Sector	
Objective ID: 116-014-01	
Approved: 1999-07-12	Country/Organization: Kyrgyzstan, USAID/CAR
Result Name: IR 1.4.2.1.2. Stock Market effectively serves securities market	
Indicator: Number of stock exchange and OTC listings on the first and second board listings	
Unit of Measure: Number	
Source: Kyrgyzstan Stock Exchange	
Indicator/Description: Number of companies listed on the first and second boards of stock exchanges and in a transparent over-the-counter market	
Comments: The capital market in Kyrgyzstan has rebounded from the economic collapse precipitated by the Russian economic crises of 1998. Targets were exceeded.	
* This is the last R4 that we will use this indicator.	

Year	Planned	Actual
1995 (B)		10
1996	30	26
1997	40	37
1998	50	45
1999	60	63
2000	100	
2001	150	

Text for SO d

Country/Organization: [Kyrgyzstan, USAID/CAR](#)

Objective ID: 116-021-01

Objective Name: Increased, better-informed citizens' participation in political and economic decision-making

Self Assessment: On Track

Self Assessment Narrative: Results continue to exceed expectations in civil society, non-state media and parliamentary strengthening. While our indicators suggest results were mixed, other factors suggest a more positive assessment. Our elections grant initiative during the recent local and parliamentary elections was a great success. This involved grants to many NGOs, a large coalition of NGOs, and media outlets resulting in effective election monitoring and numerous voter education campaigns. Also, Parliament showed great receptivity to NGO input into draft legislation. However, the recent parliamentary elections were a disappointment as the government fell noticeably short of ensuring they were free and fair. This changed our assessment from exceeding expectations to on track.

Primary Link to Strategic Agency Framework: 2.3 Politically Active Civil Society

Secondary Link to Strategic Agency Framework:

- | | |
|--|--|
| <input type="checkbox"/> 1.3 Economic Opportunity for Poor | <input checked="" type="checkbox"/> 2.1 Rule of Law/Human Rights |
| <input checked="" type="checkbox"/> 2.2 Credible Political Processes | <input type="checkbox"/> 2.3 Politically Active Civil Society |
| <input checked="" type="checkbox"/> 2.4 Accountable Gov't Institutions | <input type="checkbox"/> 3.1 Access to Ed/Girl's Education |

Link to U.S. National Interests: Democracy and Human Rights

Primary Link to MPP Goals: Democracy and Human Rights

Secondary Link to MPP Goals (optional): Global Growth and Stability

Summary of the SO:

For Kyrgyzstan to successfully make the transition to a market democracy, it is imperative that its citizens begin to participate in economic and political decision-making in an informed manner. Citizens in Kyrgyzstan are doing just that and are increasingly participating decision-making at all levels. However, democratization has yet to become institutionalized. For example, elections do not yet fully meet international standards, formal public and parliamentary hearings are held on an ad hoc basis, NGOs and media are still not independently sustainable, and NGO-government partnerships are nascent. An important vehicle by which citizens' s voices can be heard and, thus, participate in such decision making is through NGOs; therefore,

USAID provides assistance to strengthen NGO participation in civil society. Assistance to the NGO community aims to increase its professional and management capabilities, and to encourage advocacy and lobbying to influence legal and regulatory processes, to effect social change, and to provide needed social services. In addition, in order for citizens to be better informed, USAID seeks to increase the availability of information on domestic economic policies and politics. USAID supports non-state broadcast media, and, among the younger generation, USAID also increases the availability of information about democracy through the sponsorship of civic education programs. Finally, to facilitate better informed citizen participation in decision making, USAID promotes increased responsiveness and accountability of government to citizens and citizen organizations. USAID is working to make public hearings a part of the formal legislative process and to cultivate government receptivity toward citizen participation. USAID's program includes a strong emphasis on building social partnerships between civil society, government, and the business sector to further foster citizen participation in decision-making. The purpose of USAID's assistance is to address these issues of institutionalization and long-term sustainability of democratic reforms. These efforts will help bring about a more stable and more democratic society in which citizens promote their interests to a responsive government that is held accountable by NGOs and the media.

Key Results:

The government of Kyrgyzstan is increasingly accepting civil society participation in political and economic decision-making. The number of NGO-government contacts has increased more than three-fold in 1999 - - 359 from 57 in 1998. NGO's advocacy skills continue to advance; the USAID-supported Coalition for Democracy and Civil Society is a prime example of increasingly influential and respected non-governmental organizations. For instance, the Coalition served as an active member of the NGO Law Working Group and a number of recommendations from their report on the late 1998 constitutional referendum were incorporated into the Kyrgyz election law. Independent TV stations augment their local news programming as a result of USAID technical assistance in areas such as local broadcasting and balanced political reporting. In addition, media advocacy by the USAID-partner lawyer and the Association of Journalists resulted in a number of significant government re-considerations of pending legislation or rulings. For example, parliament passed a crucial amendment to the mass media law, securing a loophole that allowed government regulators to shut down TV and radio broadcasters at will. USAID-funded Internews' lawyer wrote the amendment. Any suspension of operations longer than 10 days now requires a court decision. USAID's new programming on women's political participation has already demonstrated impressive results. Of the 30 women local "kenesh" (council) candidates who participated in a USAID-supported campaign planning seminar, 14 were elected. Though the recent parliamentary elections did not fully meet international standards, the legislative framework and procedures for elections have improved with the provision of an increased role for civil society and the introduction of party lists.

Performance and Prospects:

Results have generally been on track, ~~a-~~ Although the GOK did not allow several political parties to participate in the parliamentary elections and some candidates faced harassment from authorities. Despite these issues, the GOK adopted a new electoral code that takes steps toward meeting international standards for elections as outlined in the OSCE Copenhagen Document.

USAID assistance played an integral role in helping the government draft the legislation and include ideas from the NGO and media communities. The voting process was generally well-administered on election day, with the exception of ~~some~~ violations during the ballot counting and tabulation, which are currently being investigated.

NGOs continue to grow and expand their advocacy activities. For example, the ~~USAID-supported~~ Coalition for Democracy, ~~an USAID-supported~~ leading democracy-related coalition of NGOs, expanded its activities this election cycle and established branch offices in each of the oblasts in Kyrgyzstan. USAID grant programs this past year also funded over seventy five NGOs and media outlets to implement non-partisan projects related to the electoral process, demonstrating the breadth of civic organizations that work to promote democracy in the country. The Parliament is increasingly viewing NGO and citizen input as an important part of the legislative process, and numerous NGOs have established strong rapport with parliamentarians. Several active journalist associations in Kyrgyzstan have also participated in reviewing draft legislation and submitting commentary to Parliament. With USAID assistance, a new legislative drafting center now provides the Parliament greatly needed drafting services. With respect to media, broadcast journalists increasingly engage in more politically sensitive reporting. Eurasia Foundation funded the establishment of a journalism course at the Kyrgyzstan-American University. Until recently, only print journalists produced hard-hitting political news.

Possible Adjustments to Plans:

As USAID continues its work supporting a transition toward democracy under the new strategy, the Mission will increase emphasis on women's legal rights issues, women's participation in political processes, and youth social activism at the local level. In addition, as discussed in the new strategy, USAID will begin implementing a plan to gradually localize civil society support in the country as a move towards more sustainable development. USAID also will continue to explore linkages with the IREX internet program funded by Public Diplomacy.

Other Donor Programs:

Civil society development is a multi-donor effort in Kyrgyzstan. UNHCR, OSCE/ODIHR, UNDP, Eurasia Foundation and Soros all support local NGOs with small grants. The UNHCR is co-funding NGO resource centers along with USAID. USAID and the UNDP Gender Bureau work closely together on women's programming. In the area of independent media, the UNDP, OSCE/ODIHR, and Soros support journalist associations and training. In the political processes area, UNDP is implementing an "automization" of elections. USAID and the EU coordinate with parliamentary assistance.

Major Contractors and Grantees:

Several USAID-funded US PVOs such as the American Bar Association/CEELI, Internews, the National Democratic Institute (NDI), and the International Foundation for Electoral Systems (IFES), are playing a role in promoting democracy in Kyrgyzstan. Counterpart International, Aid to Artisans, and the International Center for Not-for-profit Law, which together form the Counterpart Consortium, also participate in local NGO development. Initiative for Social Action

and Renewal in Eurasia (ISAR) will also participate in the development of local environmental NGOs. The Academy for Educational Development (AED) coordinates participant training.

Performance Data Table

Objective Name: Increased, better-informed citizens' participation in political and economic decision-making	
Objective ID: 116-021-01	
Approved: 1997-10-01	Country/Organization: Kyrgyzstan, USAID/CAR
Result Name: SO 2.1 Increased, better-informed citizens' participation in political and economic decision-making	
Indicator: SO 2.1D: Government responsiveness: % of NGOs receiving positive responses to their contacts with government bodies	
Unit of Measure: Percent	
Source: Counterpart Consortium data base	
Indicator/Description: Percent of a sample of NGOs that report attempting to influence government, indicate that officials contacted listened to their positions, and appeared interested in understanding their viewpoint, whether or not policy was changed as a result. This indicator is a proxy for acceptance by government of increased citizen/citizen group participation in decision-making.	
<p>Comments:</p> <p>The significant increase in 1998 was due to the increased work USAID/CAR initiated to encourage NGO-government social partnerships. The social partnership model of advocacy appears to be more acceptable to government, eliciting more positive responses.</p> <p>While the percentage decreased in 1999, the number of contacts increased more than three-fold this last year (57 in 1998 and 359 in 1999).</p> <p>At one time simply having the opportunity to talk with government officials was a huge challenge for NGOs. Now, government officials appear to be more open to NGO viewpoints and contributions. At this point it is imperative that we analyze the actual result of the contact.</p> <p>Thus, we will no longer report against this indicator and look in the new strategy to measure the effectiveness of NGOs' contact with government officials and NGO sustainability. Therefore, the next R4 will include the NGO Sustainability Index as a performance data table measuring IR 2.1.1 "Stronger and More Sustainable Civic Organizations." The progress against SO 2.1 "Strengthened Democratic Political Culture" will be measured by percentage of targeted population exhibiting civic consciousness and activism.</p>	

Year	Planned	Actual
1995		
1996		
1997	NA	30%
1998	35%	60%
1999	65%	58%
2000		
2001		

Performance Data Table

Objective Name: Increased, better-informed citizens' participation in political and economic decision-making	
Objective ID: 116-021-01	
Approved: 1997-10-01	Country/Organization: Kyrgyzstan, USAID/CAR
Result Name: LLR 2.1.2.1 Domestic news widely available via electronic media	
Indicator: LLR 2.1.2.1B: Average minutes of daily independent electronic media local TV news programming	
Unit of Measure: Average daily number of minutes	
Source: Internews data base	
Indicator/Description: Average daily minutes of independent local news programming from sample of television and radio stations.	
Stations: Ayan (Naryn), NBT (Bishkek), Pyramida (Bishkek), Mahabat Jhildzy (Jalal-Abad), EMTV (Kara-Kol), Osh TV (Osh).	
<p>Comments:</p> <p>The next Strategy Plan provides for a shift in IR 2.1.2 "Increased availability of information on civic rights and domestic public issues" from solely technical assistance to independent electronic media outlets to additional focus on civic education to targeted youth groups. Therefore, in the next R4, this indicator will not be reported on. Instead, it will include a performance data table for the following indicator measuring progress for availability of information: "Increased number of targeted citizens participating in civic education programs" and/or Media Sustainability Index provided that the latter is developed by E&E Bureau by the time of next R4 reporting.</p>	

Year	Planned	Actual
1995		3
1996	7	5
1997	10	4.5
1998	6	20
1999	22	40.9
2000	43	
2001	45	

Performance Data Table

Objective Name: Increased, better-informed citizens' participation in political and economic decision-making	
Objective ID: 116-021-01	
Approved: 1997-10-01	Country/Organization: Kyrgyzstan, USAID/CAR
Result Name: LLR 2.1.3.2 More genuine and competitive political processes	
Indicator: LLR 2.1.3.2F: Improved election laws and procedures	
Unit of Measure: On a scale of seven possible attributes, how many are present in the law.	
Source: IFES	
Indicator/Description: Reform of existing laws and adoption of comprehensive codes:	
<ol style="list-style-type: none"> 1) Establish independent and permanent election administration structure; 2) Facilitate the participation of political parties in the many phases of the electoral process; 3) Establish legal basis for participation of domestic monitors; 4) Establish transparent and fair procedures for candidate registration; 5) Establish methods to address complaints and adjudicate grievances; 6) Provide for adequate public and or private campaign finance 7) Establish ethical standards for candidates and mechanisms for addressing violations. 	
Comments:	
<p>* 1998 data is based on the CEC's 5th draft of the Election Law which is presently before Parliament.</p> <p>Since in the next Strategy Plan no major electoral assistance will be provided and IR 2.1.3 will focus on enhanced opportunities for citizen participation in governance, in the next R4, this indicator will not be reported on. Instead, it will include a performance data table for the following indicator measuring progress for opportunities for citizens' participation: "Scorecard of citizens' access to meetings and records of legislative proceedings."</p>	

Year	Planned	Actual
1995		3
1996		3
1997		3
1998	5	5*
1999	6	5.5
2000	6.5	
2001	7	

Text for SO e

Country/Organization: Kyrgyzstan, USAID/CAR

Objective ID: 116-023-01

Objective Name: More effective, responsive, and accountable local government

Self Assessment: On Track

Self Assessment Narrative: Although approved in 1997, implementation of this S.O. began late in FY98. Initial targets have been met and, despite a slowdown due to a change in implementer, the groundwork is being laid for more open and effective local governance. Good relationships with counterparts have been forged, and cooperative approaches are being developed with other implementers and donors.

Primary Link to Strategic Agency Framework: 2.4 Accountable Gov't Institutions

Secondary Link to Strategic Agency Framework:

- | | |
|--|--|
| <input checked="" type="checkbox"/> 1.1 Private Markets | <input type="checkbox"/> 1.2 Ag Development/Food Security |
| <input type="checkbox"/> 1.3 Economic Opportunity for Poor | <input type="checkbox"/> 2.1 Rule of Law/Human Rights |
| <input checked="" type="checkbox"/> 2.2 Credible Political Processes | <input checked="" type="checkbox"/> 2.3 Politically Active Civil Society |
| <input type="checkbox"/> 2.4 Accountable Gov't Institutions | <input type="checkbox"/> 3.1 Access to Ed/Girl's Education |
| <input type="checkbox"/> 3.2 Higher Ed/Sustainable Development | <input type="checkbox"/> 4.1 Unintended Pregnancies Reduced |
| <input type="checkbox"/> 4.2 Infant/Child Health/Nutrition | <input type="checkbox"/> 4.3 Child Birth Mortality Reduced |
| <input type="checkbox"/> 4.4 HIV/AIDS | <input type="checkbox"/> 4.5 Infectious Diseases Reduced |
| <input type="checkbox"/> 5.1 Global Climate Change | <input type="checkbox"/> 5.2 Biological Diversity |
| <input type="checkbox"/> 5.3 Sustainable Urbanization/Pollution | <input type="checkbox"/> 5.4 Environmentally Sound Energy |
| <input type="checkbox"/> 5.5 Natural Resource Management | <input type="checkbox"/> 6.1 Impact of Crises Reduced |
| <input type="checkbox"/> 6.2 Urgent Needs in Time of Crisis Met | <input type="checkbox"/> 6.3 Security/Basic Institutions Reestablished |
| <input type="checkbox"/> 7.1 Responsive Assist Mechanisms Developed | <input type="checkbox"/> 7.2 Program Effectiveness Improved |
| <input type="checkbox"/> 7.3 Commit Sustainable Development Assured | <input type="checkbox"/> 7.4 Technical/Managerial Capacity Expand |

Link to U.S. National Interests: Democracy and Human Rights

Primary Link to MPP Goals: Democracy and Human Rights

Secondary Link to MPP Goals (optional): Regional Stability

Summary of the SO:

Kyrgyzstan inherited an inefficient and highly centralized, Soviet-style governmental structure. The nation can no longer maintain this infrastructure or administer social services adequately now that these are no longer subsidized by the USSR. On the other hand, modest democratic reforms have taken root in "self-governing cities," in which the President appoints a mayor from

among the popularly elected council members. This system increases accountability since these mayors are local leaders with a local reputation to maintain.

Local government reform has the potential to improve the quality of everyday life for citizens, to increase local control over local issues, and to involve the population more actively in public affairs. Local governments often are a chief constraints to reform at the local level. Assistance to local governments can serve to smooth progress for other USAID objectives or other donors' efforts. Improved water supply, greater civil society, and economic development are areas which would benefit from more effective and responsive local governments.

Assistance under this strategic objective is critical for laying the groundwork for reform by strengthening the institutional capacity of selected municipal governments, and by cultivating advocates for local government reform within the sector. The demonstration effect of the models inspire other local governments to adopt improved practices, as well as encourage the national government to devolve greater authority to self-governing bodies.

Key Results:

The most notable highlights in 1999 included the first public budget hearing ever, held in Naryn; the rapid formation of democratically organized housing associations throughout the country from 3 to 129; and the appointment and training of procurement agents nationwide. Specific, successful model practices included a model procurement in Bishkek and competition among the best housing associations for grants that built in competitive procurement practices. Well-received, on-going activities include support to local organizers to form democratically controlled housing associations to perform functions previously performed by government agencies, leadership skills, financial management and procurement training for officials and council members.

Performance and Prospects:

During this first full year many activities were begun under the Local Government Initiative; however, a change in contractors slowed implementation in the Fall of 1999. Fortunately, most of the local staff were retained by the new firm and, after a culling process, the most promising activities are being pursued further.

In the future, training will receive greater attention, with emphasis on incorporating good, local practices into the training curricula and sharpening the skills of the local trainers. The effort to test-run and disseminate good local practices will shift away from the further development of automated processes towards applying the data which the automated processes generate for better management decisions. Asset management and disposal, budgeting and basic financial analysis for decision makers, and local economic development strategies are areas of concern to local counterparts, which offer USAID the opportunity to weave in and promote the principles of transparency and participation. Assistance with asset management brings possibilities for collaboration with the land registration efforts supported by USAID, budgeting and financial management assistance is coordinated with our own fiscal reform efforts, and community-vetted local economic development strategies are a vehicle for elected councils to learn new skills and

contribute actively to their community's welfare. We will market the communities' plans among other donors and implementers to assist with implementation.

An enormous agenda remains in the area of local government empowerment. The proliferation of additional layers of administration at the local level and the confusion about responsibilities that results from it could be remedied by eliminating one of the layers of government. Villages, towns and cities remain severely constrained by the Finance Ministry's control over their budgets. The tax law provides for the collection of a number of local taxes and fees, but these sources provide only a fraction of the required local revenues. Much remains to be done in the areas of budgeting, revenue raising and revenue sharing involving the Ministry of Finance, which remains an opponent of fiscal decentralization. USAID will address these issues through the Fiscal Reform Project and policy dialogue with the national government.

Possible Adjustments to Plans:

As part of the new strategy, USAID will engage the national government and regional executives more actively in understanding and addressing the policy constraints to responsive and effective local governance. The advisors of the Local Government Initiative will more actively engage USAID-funded Fiscal Reform advisors so that USAID's national-level policy recommendations will reflect the local perspective, as well. Our work with the Congress of Local Communities will be curtailed due to the Congress' aggressive, pro-Governmental stance in the parliamentary elections. We will expand the development and implementation of model "good practices" from two to four pilot sites.

Other Donor Programs:

A number of other donors including the World Bank, UNDP, and Soros support activities with a local government dimension that build around the principles of promoting sustainable human development in the country through decentralized management. A UNDP decentralization program has a policy component and works with rayons and villages. The focus on rural areas differentiates the UNDP project from USAID's, although policy recommendations need to be coordinated. The Soros Foundation funds the grants program for housing associations. USAID, in turn, publicizes the opportunity to the regional housing associations and oversees the evaluation of the competing condominiums' adherence to USAID-developed standards of what constitutes a good condominium. The Soros Foundation also supports a municipal training center in Bishkek for whom USAID implementers occasionally provide in-kind training. The Asian Development Bank is loaning money to improve municipal and rural water systems. The weak conditionalities connected with the loans mean, however, that there are no opportunities to provide technical assistance to local counterparts to meet the terms of the loan, as say, in the case of the World Bank-Atyrau loan in Kazakhstan.

Major Contractors and Grantees:

Urban Institute is the prime contractor of the Local Government Initiative; Barents and TRG are sub-contractors. The International City/County Management Association has developed a Resource Cities partnership between Naryn and Great Falls, Montana. The Academy for Educational Development (AED) coordinates participant training. Eurasia has provided grants to housing associations and to university-based public administration programs.

Performance Data Table

Objective Name: More effective, responsive, and accountable local government	
Objective ID: 116-023-01	
Approved: 1997-10-01	Country/Organization: Kyrgyzstan, USAID/CAR
Result Name: IR 2.3.1 Participation. Practices promoting citizen input and involvement adopted.	
Indicator: % target municipalities instituting new citizen participation techniques	
Unit of Measure: % of local bodies that create vehicles for citizen involvement such as open hearings, task forces, commissions, boards.	
Source: ICMA, Urban Institute	
Indicator/Description: The universe of target municipalities has been redrawn. It is made up of the 14 municipalities with a population greater than 20,000. One city thus represents 7% of the target municipalities--the targets have been revised accordingly.	
Comments: The city of Naryn held a budget hearing. It did not institutionalize this process and regardless, must hold another next year to be included in the Year 2000 actuals.	

Year	Planned	Actual
1998 (B)		0
1999	0	7%
2000	7%	
2001	21%	

Performance Data Table

Objective Name: More effective, responsive, and accountable local government	
Objective ID: 116-023-01	
Approved: 1997-10-01	Country/Organization: Kyrgyzstan, USAID/CAR
Result Name: IR 2.3.2 Capacity. Practices improving delivery of services and management of resources adopted	
Indicator: % target municipalities with sustained improvement in management practices.	
Unit of Measure: % of local governments that adopt techniques such as competitive procurement, program-based budget format, market-oriented zoning procedures	
Source: ICMA, Urban Institute	
Indicator/Description: The universe of target municipalities has been redrawn and is made up of the 14 municipalities with a population greater than 20,000. One city thus represents 7% of the target municipalities – the targets have been revised accordingly.	
Comments: The city Bishkek introduced competitive procurement practices, however there is not convincing evidence of sustained use of those procedures.	

Year	Planned	Actual
1998 (B)	NA	0
1999	7	3.5%
2000	14	NA
2001	21	NA

Performance Data Table

Objective Name: More effective, responsive, and accountable local government	
Objective ID: 116-023-01	
Approved: 1997-10-01	Country/Organization: Kyrgyzstan, USAID/CAR
Result Name: IR 2.3.3 Autonomy. Powers of local government increased.	
Indicator: # of additional functions, revenues given to local government.	
<p>Unit of Measure: UNIT OF MEASURE: Rating of 1-6 based on establishment of necessary criteria for local government to function:</p> <p>Conditions are:</p> <ol style="list-style-type: none"> 1) authority to manage services delivered at local level 2) access to revenue base they can influence 3) power to make budget decisions independently 4) leadership accountable to citizens through elections 5) control over local property 6) department heads are accountable to the municipal government and not the central government. 	
Source: USAID, Urban Institute	
Indicator/Description: NA	
Comments: Kyrgyzstan made partial progress in two conditions: Condition #4: Self-government mayors must stand for election as council members to be eligible for appointment; Condition #5: Self-government cities received ownership over many assets; a half point was given because of ambiguity regarding their authority to dispose of the deeded property as they see fit.	

Year	Planned	Actual
1998 (b)		0
1999	1	1
2000	2	
2001	3	

Text for SO f

Country/Organization: Kyrgyzstan, USAID/CAR

Objective ID: 116-032-01

Objective Name: Improved sustainability of social services

Self Assessment: Exceeding Expectations

Self Assessment Narrative:

Primary Link to Strategic Agency Framework:

(please select only one)

Program Effectiveness Improved

Secondary Link to Strategic Agency Framework:

(select as many as you require)

- | | |
|---|--|
| <input type="checkbox"/> 1.1 Private Markets | <input type="checkbox"/> 1.2 Ag Development/Food Security |
| <input type="checkbox"/> 1.3 Economic Opportunity for Poor | <input type="checkbox"/> 2.1 Rule of Law/Human Rights |
| <input type="checkbox"/> 2.2 Credible Political Processes | <input type="checkbox"/> 2.3 Politically Active Civil Society |
| <input type="checkbox"/> 2.4 Accountable Gov't Institutions | <input type="checkbox"/> 3.1 Access to Ed/Girl's Education |
| <input type="checkbox"/> 3.2 Higher Ed/Sustainable Development | <input type="checkbox"/> 4.1 Unintended Pregnancies Reduced |
| <input checked="" type="checkbox"/> 4.2 Infant/Child Health/Nutrition | <input type="checkbox"/> 4.3 Child Birth Mortality Reduced |
| <input type="checkbox"/> 4.4 HIV/AIDS | <input checked="" type="checkbox"/> 4.5 Infectious Diseases Reduced |
| <input type="checkbox"/> 5.1 Global Climate Change | <input type="checkbox"/> 5.2 Biological Diversity |
| <input type="checkbox"/> 5.3 Sustainable Urbanization/Pollution | <input type="checkbox"/> 5.4 Environmentally Sound Energy |
| <input type="checkbox"/> 5.5 Natural Resource Management | <input type="checkbox"/> 6.1 Impact of Crises Reduced |
| <input type="checkbox"/> 6.2 Urgent Needs in Time of Crisis Met | <input type="checkbox"/> 6.3 Security/Basic Institutions Reestablished |
| <input type="checkbox"/> 7.1 Responsive Assist Mechanisms Developed | <input type="checkbox"/> 7.2 Program Effectiveness Improved |
| <input type="checkbox"/> 7.3 Commit Sustainable Development Assured | <input checked="" type="checkbox"/> 7.4 Technical/Managerial Capacity Expand |

Link to U.S. National Interests: Global Issues: Environment, Population, Health

Primary Link to MPP Goals: Health

Secondary Link to MPP Goals (optional): Population

Summary of the SO:

Government-supplied social services are critical to the welfare of the population and to public support for overall reforms. In Kyrgyzstan, the health care delivery system can be characterized as an inverted pyramid: primary health care (PHC) is at the bottom with too few resources, while specialized hospital care at the top receives too many. One of the major problems is the

inefficient allocation of existing resources and nonexistent infrastructure for PHC in areas of the country that have not experienced reform.

In 1994, USAID initiated health care reform assistance to restructure the health system. The government has been a leader in health reform, introducing an integrated package of reforms at a rapid pace, especially in the pilot activity in Issyk-Kul. The Issyk-Kul model has been adopted in five additional oblasts. The newly created primary health care practices (PHCP) are the first points of contact for the population at the local level. Citizens of Kyrgyzstan living in demonstration areas are beneficiaries of this reform.

Key Results:

Eighty-seven percent of the people in pilot sites have openly enrolled and are exercising their choice for a specific PHCP.

All 390 PHCPs nationwide have developed and implemented management information systems, allowing providers to respond to new incentive payment systems.

PHCPs have sufficient capacity to provide PHC services to 100% of the population of Bishkek City, Issyk-Kul and Chui Oblasts and approximately 50% of the entire population of Kyrgyzstan.

Fifty-six percent of the 390 PHCPs in Kyrgyzstan are paid under a capitated rate payment system by the Health Insurance Fund leading to a more cost-effective health care system.

Performance and Prospects:

Performance in the USAID demonstration sites which encompass Issyk-Kul and Chui Oblasts, Bishkek City and pilot sites in Jalal-Abad and Osh Oblasts is exceeding expectations. To date, 390 PHCPs are operational nationwide in six of the seven oblasts of Kyrgyzstan. Intensive training for all PHC physicians and many PHC nurses has contributed to strengthening the clinical capabilities of PHCP providers. This extensive training has resulted in 56% of the 390 PHCPs nationwide expanding their scope of service. In addition, improved skills and new provider payment systems are encouraging PHC physicians to treat more and refer less often to specialty hospitals. NGOs have become an important vehicle for these reforms and will help ensure that more effective delivery of services and continued emphasis on quality improvement is taking place in target communities.

USAID policy and legal assistance led to the establishment of a national framework for health care, which incorporates health insurance into a broader social insurance context. The health insurance fund has implemented nationwide the payment system which was developed in the Issyk-Kul demonstration. Information on health reform has been widely disseminated to the public through television and radio spots and newspaper and magazine articles. The success of USAID's assistance helped to leverage a World Bank loan to replicate the reforms more broadly. With combined USAID and World Bank efforts, approximately 90 percent of Kyrgyzstan's population will have access to PHC services by the year 2002. By FY 2004, it is expected that

health reforms in Kyrgyzstan will be completely institutionalized at the policy and program levels.

Possible Adjustments to Plans:

Integration of vertical health programs (i.e., infectious diseases and maternal and child health) into the Primary Health Care (PHC) delivery structure will become institutionalized.

Other Donor Programs:

Various other donors are involved in this crucial area, including the World Bank, Asian Development Bank, World Health Organization (WHO), United Nations Development Program (UNDP), UNICEF, UNAIDS, United Nations Population Fund (UNFPA), and the European Union (EU).

Major Contractors and Grantees:

Abt Associates is currently the principal contractor implementing this activity. The Academy for Educational Development (AED) coordinates participant training.

Performance Data Table

Objective Name: Improved sustainability of social services			
Objective ID: 116-031-01			
Approved: 1996-05-01		Country/Organization: Kyrgyzstan, USAID/CAR	
Result Name: IR 3.2.1 Cost-effective health care services demonstrated in selected oblasts.			
Indicator: Increased # of independent primary health care practices			
Unit of Measure: # of primary health care practices (PHCP).	Year	Planned	Actual
	1996 PHCPs	32	40
Source: Project data base	1997 PHCPs	70	81
Indicator/Description: Increase in the # of independent primary health care practices (PHCP) actually staffed and providing services.	1998 PHCPs	231	425
	1999 PHCPs	425	390*
Comments: * 1999 results represent PHCPs in 5 of the 7 oblasts (provinces) of Kyrgyzstan. * The number of PHCPs in 1999 is 35 less than 1998 due to practice mergers. The reduction increased efficiency but did not reduce population covered. This is the last year to report on this indicator. Next year's indicators will change to reflect the new integrated health strategy: Increased Access to Quality Primary Health Care in Select Populations.	2000 PHCPs	400	NA
	2001 PHCPs	440	NA
	2002 PHCPs	480	NA

Performance Data Table

Objective Name: Improved sustainability of social services			
Objective ID: 116-031-01			
Approved: 1996-07-24		Country/Organization: Kyrgyzstan, USAID/CAR	
Result Name: IR 3.2.3.2 National legal, regulatory and policy framework for health sector embodies reforms			
Indicator: Laws and policies adopted on key reforms nationally			
Unit of Measure: Overall reform environment in relation to the following key reforms at the national level. (Also see Indicator/Description.) 1) Primary health care practices (PHCP) decree issued 2) Health sector NGOs formed 3) PHCP enrollment system in place 4) Provider payment systems and health insurance decrees established 5) Provider management information systems in place 6) Clinical protocols introduced	Year	Planned	Actual
	1998	3	4
	1999	6	4
	2000	4	NA
	2001	4	NA
	2002	5	NA
Source: OST/GOKG data bases			
Indicator/Description: The six health sector reforms listed above were identified as those most necessary to achieve at the national level. This IR is scored using a rating system applied to the key reforms listed above. The rating system is a 1-5 scale, with 1 defined as "no progress in a health reform area" and 5 as "sustainable reform at the national level". Scoring represents a qualitative judgement of the overall reform environment.			
Comments: The major legal event in 1999 was the passage of a new Health Insurance Law by the Parliament which solidifies the legal framework for health insurance and the Health Insurance Fund. A few major issues remain before the legal framework pertaining to the health system is sustainable, in particular pooling of health care funds.			

Performance Data Table

Objective Name: Improved sustainability of social services			
Objective ID: 116-031-01			
Approved:	Country/Organization: Kyrgyzstan, USAID/CAR		
Result Name: IR 3.2.3 Cost-effective health sector reforms adopted nationally			
Indicator: Increased percent of health care providers reimbursed by market-oriented payment systems.			
Unit of Measure: Percentage of hospitals and outpatient care providers using market-oriented systems	Year	Planned	Actual
	1996	30%	32%
Source: Project data base	1997	40%	40%
Indicator/Description: Increased percentage of hospitals and outpatient care providers reimbursed by market-oriented payment systems.	1998	10% See Comment Note	17% (132/425)
	1999	22%	32% (236/731)
Comments: Note: Percents reported for 1996 and 1997 represent smaller pilot areas with fewer providers. The target for 1998 was set for a larger geographic region with many more providers compared with previous years, so it was anticipated that percentage results would initially be low.	2000	35%	NA
	2001	40%	NA
	2002	45%	NA
	This is the last year to report on this indicator. Next year's indicators will change to reflect the new integrated strategy: Increased Access to Quality Primary Health Care in Select Populations.		

Text for SO g

Country/Organization: Kyrgyzstan, USAID/CAR

Objective ID: 116-041-01

Objective Name: Special Initiatives: Preventive care services made available

Self Assessment: On Track

Self-Assessment Narrative: USAID assistance contributed to significant achievements. With USAID support, Kyrgyzstan has laid the groundwork for the region's first disease surveillance model focusing on hepatitis. This structure has laboratory components to help with accurate disease diagnosis linked to reporting systems that will lead to appropriate treatment and prevention programs for the different types of hepatitis. For the first time in 1999, 46% of newborns were vaccinated for Hepatitis B, a program that received USAID technical assistance. Women's access to quality family planning services at the community level continued to improve, as virtually 100 percent of primary health care practices in demonstration areas now have family doctors trained in updated contraceptive technology.

Primary Link to Agency Strategic Framework: 4.5 Infectious Diseases Reduced
(Please select only one)

Secondary Link to Agency Strategic Framework:
(select as many as you require)

- | | |
|---|--|
| <input type="checkbox"/> 1.1 Private Markets | <input type="checkbox"/> 1.2 Ag Development/Food Security |
| <input type="checkbox"/> 1.3 Economic Opportunity for Poor | <input type="checkbox"/> 2.1 Rule of Law/Human Rights |
| <input type="checkbox"/> 2.2 Credible Political Processes | <input type="checkbox"/> 2.3 Politically Active Civil Society |
| <input type="checkbox"/> 2.4 Accountable Gov't Institutions | <input type="checkbox"/> 3.1 Access to Ed/Girl's Education |
| <input type="checkbox"/> 3.2 Higher Ed/Sustainable Development | <input checked="" type="checkbox"/> 4.1 Unintended Pregnancies Reduced |
| <input type="checkbox"/> 4.2 Infant/Child Health/Nutrition | <input checked="" type="checkbox"/> 4.3 Child Birth Mortality Reduced |
| <input type="checkbox"/> 4.4 HIV/AIDS | <input checked="" type="checkbox"/> 4.5 Infectious Diseases Reduced |
| <input type="checkbox"/> 5.1 Global Climate Change | <input type="checkbox"/> 5.2 Biological Diversity |
| <input type="checkbox"/> 5.3 Sustainable Urbanization/Pollution | <input type="checkbox"/> 5.4 Environmentally Sound Energy |
| <input type="checkbox"/> 5.5 Natural Resource Management | <input type="checkbox"/> 6.1 Impact of Crises Reduced |
| <input type="checkbox"/> 6.2 Urgent Needs in Time of Crisis Met | <input type="checkbox"/> 6.3 Security/Basic Institutions Reestablished |
| <input type="checkbox"/> 7.1 Responsive Assist Mechanisms Developed | <input type="checkbox"/> 7.2 Program Effectiveness Improved |
| <input type="checkbox"/> 7.3 Commit Sustainable Development Assured | <input type="checkbox"/> 7.4 Technical/Managerial Capacity Expand |

Link to U.S. National Interests: Global Issues: Environment, Population, Health

Primary Link to MPP Goals: Health

Secondary Link to MPP Goals (optional): Population

Summary of the SO:

Health programs supported by USAID's special initiatives are providing supplemental services which contribute to the effectiveness of the national health care system. Specifically, these initiatives are addressing key health problems in infectious diseases and reproductive health, and sustaining health partnerships. USAID is strengthening infectious disease surveillance systems, especially for hepatitis, and assisting in the improvement of the diagnosis and treatment of tuberculosis (TB). The reproductive health program is increasing the availability and accessibility of family planning services through provision of training, informational material and equipment to family doctors and nurses in primary health care practices (PHCPs). The health partnerships have transferred hospital-based technology from U.S. to local institutions. Under these special initiatives, citizens of Kyrgyzstan from demonstration areas benefit, especially the vulnerable populations of children and women.

Key Results: For the first time, newborns in Kyrgyzstan are being immunized against hepatitis B, a disease that can cause liver cancer. Forty-six per cent of newborns were vaccinated in 1999, as a result of USAID technical assistance to the Government of Kyrgyzstan (GOK).

USAID has supported the GOK in creating a model surveillance framework needed to prevent and control hepatitis. As part of this surveillance structure, three sites to verify, report and track hepatitis cases were established this year. Hepatitis cases are verified in the region's first infectious disease reference laboratory, equipped and opened in 1998 with USAID support. This laboratory has now developed its quality control standards (reference panels) for diagnosing the various types of hepatitis. USAID also collaborated with the GOK to set the official practice guidelines on hepatitis for all health care workers – Order #222: Measures to Decrease Viral Hepatitis Morbidity in the Kyrgyz Republic.

Women's access to quality family planning services continued to improve as family doctors from 434 primary health care practices completed USAID sponsored updates in contraceptive technology with average post-test training scores of 96%.

Performance and Prospects:

Overall performance for these initiatives in 1999 was on track. Nevertheless, sustained progress in the health sector can only be maintained if the Kyrgyz economy recovers and grows.

The National Infectious Disease Reference Laboratory has started to work on standard diagnostic panels not only for hepatitis but also for syphilis. In future, with USAID support, this laboratory is expected to provide training and to monitor quality of lab work throughout the country. The staff will train laboratory technicians, monitor quality performance after training, and certify laboratories that achieve designated standards.

With WHO and World Bank support, the Kyrgyzstan Directly Observed Treatment Short-course (DOTS) program started in 1995. It has been implemented in all seven oblasts of Kyrgyzstan. Several study tours to Kyrgyzstan were organized for participants from other Central Asian

republics by USAID. The trainees had opportunities to visit TB Dispensaries as well as primary health care practices to learn how DOTS is implemented in specialized facilities as well at the PHC level. Next year, USAID will introduce a computerized case-based TB surveillance program to 7 oblast level TB dispensaries.

Reproductive health services have been integrated into the primary health care system initiated by USAID. The primary health care practices established under USAID assistance are now equipped and trained to provide family planning services. This integrated approach will be sustained in our new strategy: Increased Access to Quality Primary Health Care in Select Populations. In addition, abortion rates have been declining since 1994 as contraceptive use increases, according to a secondary analysis based on Demographic Health Survey data.

Under health partnerships, reforms in burn care are continuing through further training and a statewide burn registry has been established at a burn care center. Nursing activities are enhanced by the newly established the Central Asian Nursing Council. A new health partnership is focusing on primary health care with an emphasis on health professionals' education.

Possible Adjustments to Plans:

A downturn in the economy is the event most likely to require an adjustment in plans. Another area of some concern is that the tuberculosis mortality rate in Kyrgyzstan for the year of 1999 is slightly increased compared with 1998. This rate has not changed greatly during the last several years. This indicates that an evaluation of the effectiveness of the DOTS implementation program should be conducted in Kyrgyzstan. USAID would expect to be involved in such an assessment.

Other Donor Programs:

WHO has been implementing the DOTS program in Kyrgyzstan's Issyk-Kul and Chui Oblasts since 1995. The World Bank collaborated with WHO to implement DOTS in all the other oblasts. KfW is financing antituberculosis drugs. Soros Foundation is working in two oblasts to initiate DOTS Plus, the WHO program for multi-drug resistant TB. Other donors include the UN Population Fund, providing contraceptive methods and UNICEF, working in childhood infectious disease interventions.

Major Contractors and Grantees:

The Centers for Disease Control and Prevention (CDC) provides training on diagnosis and quality assurance for laboratories, including design and training in surveillance software. Project HOPE will extend this training beyond the national level. Abt Associates, Inc. finalizes guidelines for TB laboratories and develops educational materials for medical professionals and the public. The American International Health Alliance (AIHA) establishes health partnerships, and Family Planning Services and Expansion and Technical Support (SEATS) trained doctors in contraceptive technology, as well as providing educational materials and limited gynecologic equipment.

Performance Data Table

Objective Name: Earmark-Reproductive Health	
Objective ID: 116-041-01	
Approved: 1998-10-01	Country/Organization: Kyrgyzstan, USAID/CAR
Result Name: N/A-Congressionally mandated earmark	
Indicator: Reduction in General Abortion Rate (GAR)	
Unit of Measure: Rate	
Source: Ministry of Health (MOH) and Demographic and Health Survey (DHS)/97 Kyrgyzstan	
Indicator/Description: Induced abortions per 1000 women ages 15-49. MOH data is annual calendar year data for women aged 15-49. DHS data is reported for the three-year period prior to the survey, for women aged 15-44.	
<p>Comments: The 1997 Kyrgyzstan Demographic and Health Survey (KDHS) shows a general abortion rate of 45.2, much higher than the 19.4 rate reported by the MOH. In the KDHS, estimates of the GAR were also made for the time period 1991-93 and compared with MOH tabulations. For the earlier time period, GAR was similar, 48 (KRDHS) versus 49.1 (MOH). DHS concluded that while there was a real decline in abortion rates over time, it was only about 6% over the time period of concern. DHS offered no further explanations on the large differences between DHS and MOH GAR estimates.</p> <p>* Reproductive health projects focused on training prior to 1997. Targets on abortion rates were not set until a social marketing project was planned in 1996.</p>	

Year	Planned	Actual
1994	*	33.4
1995	*	29.6
1996	*	26.3
1997	25	19.4
1998	23	23.8
1999	21	16.2
2000	16	
2001	15	
2002	14	

Performance Data Table

Objective Name: Earmark-Infectious Disease	
Objective ID: 116-041-01	
Approved: 1997-10-01	Country/Organization: Kyrgyzstan, USAID/CAR
Result Name: N/A - Congressionally mandated earmark	
Indicator: Increased number of oblasts following DOTS procedure effectively	
Unit of Measure: Number of Oblasts	
Source: Centers for Disease Control and Prevention (CDC) in Central Asia and Project HOPE	
Indicator/Description: The Directly Observed Treatment - Short-course (DOTS) procedure for treatment of tuberculosis patients has been approved by the World Health Organization as the most cost effective treatment. DOTS is considered effective in countries which started DOTS implementation recently if at least 75% of smear positive cases convert to smear negative after DOTS therapy.	
Comments: * Objective comprehensive measurement of the results of DOTS implementation is only available 12-15 months after the beginning of DOTS. Therefore, the results of therapy for TB patients treated in 1999 will not be available till the end of the year 2000.	

Year	Planned	Actual
1998	1	1
1999	3	N/A*
2000	3	
2001	4	
2002	4	